

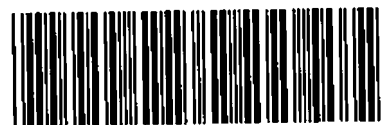
Registration number: 3053908

Carlton Programmes Development Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2019

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Carlton Programmes Development Limited

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Carlton Programmes Development Limited

Directors' Report for the Year Ended 31 December 2019

The report and the unaudited financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of Carlton Programmes Development Limited ("the Company") continues to be that of exploitation of programming in the UK and worldwide.

Directors of the Company

The Directors, who held office during the year, were as follows:

Duncan Walker (resigned 21 July 2020)

Maria Kyriacou (resigned 31 October 2019)

The following directors were appointed after the year end:

Geoffrey Ling (appointed 21 July 2020)

Ailsa McIntyre (appointed 21 July 2020)

Directors' liabilities

The Directors benefit from third party insurance provisions in place during the financial year and at the date of this report.

Fair review of the business

The results for the Company show a profit for the year of £461,000 (2018: £374,000). At the statement of financial position date the Company had net assets of £10,097,000 (2018: £9,636,000).

Dividends

The Directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2019 (2018: £Nil).

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the date of this report. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements (see note 1).

Subsequent events

The uncertainty as to the future impact on the financial performance as a result of the COVID-19 pandemic has been considered as part of the Company's adoption of the going concern basis which is detailed in note 1. There has been no material impact on the recoverability of assets held at the balance sheet date.

Audit Exemption

Carlton Programmes Development Limited, as a guaranteed subsidiary of ITV plc, has met the criteria set out in s.479A-479C of the Companies Act 2006, and is claiming exemption from the audit of their individual accounts afforded by those sections for the year ended 31 December 2019.

Small companies' provision statement

This report has been prepared in accordance with the provisions available to companies entitled to the small companies exemption.

Approved by the director on 28 October 2020 and signed on its behalf by:


Geoffrey Ling (Oct 28, 2020 13:53 GMT)

Geoffrey Ling
Director

Carlton Programmes Development Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Carlton Programmes Development Limited

Income Statement for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Revenue	3	607	501
Cost of sales		<u>(270)</u>	<u>(221)</u>
Gross profit		337	280
Administrative expenses		<u>(2)</u>	<u>(1)</u>
Operating profit	4	335	279
Interest receivable and similar income	5	<u>126</u>	<u>95</u>
Profit before tax		461	374
Taxation	8	<u>-</u>	<u>-</u>
Profit for the year		<u><u>461</u></u>	<u><u>374</u></u>

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the above.

Carlton Programmes Development Limited

(Registration number: 3053908)

Statement of Financial Position as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Current assets			
Trade and other receivables	9	10,665	10,108
Current liabilities			
Trade and other payables	10	<u>(568)</u>	<u>(472)</u>
Total assets less current liabilities		<u>10,097</u>	<u>9,636</u>
Net assets		<u>10,097</u>	<u>9,636</u>
Capital and reserves			
Share capital	11	5,300	5,300
Share premium		3,646	3,646
Retained earnings		<u>1,151</u>	<u>690</u>
		<u>10,097</u>	<u>9,636</u>

These accounts have been prepared in accordance with the provisions available to companies entitled to the small companies exemption.

For the financial year ending 31 December 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 28 October 2020 and signed on its behalf by:



Geoffrey Ling
Director

Carlton Programmes Development Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
Balance at 1 January 2019	5,300	3,646	690	9,636
Profit for the year	-	-	461	461
Balance at 31 December 2019	<u>5,300</u>	<u>3,646</u>	<u>1,151</u>	<u>10,097</u>

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
Balance at 1 January 2018	5,300	3,646	316	9,262
Profit for the year	-	-	374	374
Balance at 31 December 2018	<u>5,300</u>	<u>3,646</u>	<u>690</u>	<u>9,636</u>

The notes on pages 7 to 15 form an integral part of these financial statements.

Carlton Programmes Development Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

1 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

Carlton Programmes Development is a private company incorporated, domiciled and registered in England in the UK. The registered number is 3053908 and the registered address is 2 Waterhouse Square, 140 Holborn, London, EC1N 2AE.

The Company is a qualifying entity as it is a member of the ITV plc Group where ITV plc, the ultimate parent prepares publicly available consolidated financial statements. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') as adopted by the EU. The amendments to FRS 101 (2015/16 cycle) issued in July 2016, amendments to FRS 101 (2016/17 cycle) issued in July 2017 and other amendments have been applied.

In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as disclosed by the EU ("Adopted IFRS") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is a qualifying entity as it is a member of the ITV plc Group where ITV plc, the ultimate parent prepares publicly available consolidated financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following net assets and liabilities are stated at their fair value derivative financial instruments, financial instruments classified as fair value through the profit or loss, investment property and liabilities for cash settled share-based payments.

Carlton Programmes Development Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

1 Accounting policies (continued)

Summary of disclosure exemptions

The Company is taking advantage of the following disclosure exemptions under FRS 101:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures of transactions with a management entity that provides key management personnel services to the Company;
- Disclosures in respect of goodwill or intangibles with an indefinite life; and
- Disclosures in respect of revenue being the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with customers.

As the consolidated financial statements of ITV plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to apply the reduced disclosure framework of FRS 101 in its next financial statements.

Changes in accounting policy

New standards, interpretations and amendments effective

The following have been applied for the first time from 1 January 2019.

IFRS 16 Leases

The Company has adopted IFRS 16 'Leases' from 1 January 2019 which has changed lease accounting for lessees under operating leases. Such agreements now require recognition of an asset, representing the right to use the leased item, and a liability, representing future lease payments. Lease costs (such as property rent) are recognised in the form of depreciation and interest, rather than as an operating cost.

The Company has adopted the modified retrospective approach with the right of use asset equal to the lease liability at transition date, adjusted by any prepayments or lease incentives recognised immediately before the date of initial application. Under the modified retrospective transition approach, the comparative information is not restated.

The Company does not have any leases and therefore the standard has not resulted in any changes to the financial statements.

None of the other standards, interpretations and amendments effective for the first time from 1 January 2019 have had a material effect on the financial statements.

Carlton Programmes Development Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

1 Accounting policies (continued)

Going Concern

The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate for the following reasons.

The Directors have prepared a going concern assessment covering a period of 12 months from the date of approval of these accounts which indicates that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period through the group's cash pool arrangement.

The Company participates in the ITV plc intra-group cash pool arrangement. The pool applies to bank accounts where there is an unconditional right of set off and involves the daily closing cash position for participating subsidiaries whether positive or negative, being cleared to £Nil via daily bank transfers to / from ITV plc.

On this basis, and on their assessment of the Company's financial position, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the approval of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Revenue recognition

Revenue, which arises wholly in the United Kingdom, is stated exclusive of VAT and repayment sales for services provided during the year to third parties. Judgement is required when determining the appropriate timing and amount of revenue that can be recognised, specifically around whether there is a firm contract and that the performance obligations have been satisfied, and if so, whether there is a fixed or reasonably determinable price allocated to performance obligations that is reasonably certain will be collected. Key classes of revenue are recognised on the following basis with all payment term being over the term of the contract:

Revenue represents the exploitation of film and programme distribution rights. It is recognised at the point when the contract is signed, the content is available, and the licence period has started.

Amounts due (to) / from group undertakings

The Company participates in an intra-group cash pool policy with other 100% owned UK subsidiaries of the ITV Group. The pool applies to bank accounts where there is an unconditional right of set off and involves the daily closing cash position for participating subsidiaries whether positive or negative, being cleared to £nil via daily bank transfers to/from ITV plc. These daily transactions create a corresponding intercompany creditor or debtor which can result in significant movements in amounts owed to and from subsidiary undertakings in the Company statement of financial position.

Carlton Programmes Development Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

1 Accounting policies (continued)

Tax

The tax charge for the period is recognised in the profit and loss account, the statement of comprehensive income and directly in equity, according to the accounting treatment of the related transaction. The tax charge comprises both current and deferred tax. The calculation of the Company's tax charge involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be fully determined until a resolution has been reached by the relevant tax authority.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment in respect of previous years.

The Company recognises liabilities for anticipated tax issues based on estimates of the additional taxes that are likely to become due, which require judgement. Amounts are accrued based on management's interpretation of specific tax law and the likelihood of settlement. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

Deferred tax arises due to certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes. The following temporary differences are not provided for:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred tax is calculated using tax rates that are enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference. Recognition of deferred tax assets, therefore, involves judgement regarding the timing and level of future taxable income.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is neutral, the initial measurement is on a present value basis.

Carlton Programmes Development Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

1 Accounting policies (continued)

Foreign currency transactions and balances

The primary economic environment in which the Company operates is the UK and therefore the financial statements are presented in pounds sterling ('£').

Where a company based in the UK transacts in foreign currencies, these transactions are translated into pounds sterling at the exchange rate on the transaction date. Foreign currency monetary assets and liabilities are translated into pounds sterling at the year end exchange rate. Non-monetary assets and liabilities measured at historical cost are translated into pounds sterling at the exchange rate on the date of the transaction. Where there is a movement in the exchange rate between the date of the transaction and the year end, a foreign exchange gain or loss is recognised in the income statement.

The assets and liabilities of a company outside of the UK are translated into pounds sterling at the year end exchange rate. The revenue and expenses of these companies are translated into pounds sterling at the average monthly exchange rate during the year. Where differences arise between these rates, they are recognised in the translation reserve within other comprehensive income.

The company's net investments in companies outside the UK may be hedged where the currency exposure is considered to be material. Hedge accounting is implemented on certain foreign currency firm commitments, for which the effective portion of any foreign exchange gains or losses is recognised in other comprehensive income.

Where a forward currency contract is used to manage foreign exchange risk and hedge accounting is not applied, any impact of movements in currency for both the forward currency contracts and the assets and liabilities is taken to the income statement.

Exchange differences arising on the translation of the Company's interests in joint ventures and associates are recognised in the translation reserve within other comprehensive income.

On disposal of a foreign subsidiary, an interest in a joint venture or an associate, the related translation reserve is released to the income statement as part of the gain or loss on disposal.

Trade receivables

Trade receivables are recognised initially at the value of the invoice sent to the customer and subsequently at the amounts considered recoverable (amortised cost). Where payments are not due for more than one year, they are shown in the financial statements at their net present value to reflect the economic cost of delayed payment. The Group provides goods and services to substantially all of its customers on credit terms.

Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. These estimates include such factors as historical experience, the current state of the UK and overseas economies and industry specific factors. A provision for impairment of trade receivables is established when there is sufficient evidence that the Company will not be able to collect all amounts due. We have applied the expected loss model and the impact was not material.

The carrying value of trade receivables is considered to approximate fair value.

Trade payables

Trade payables are recognised at the value of the invoice received from a supplier. The carrying value of current and non-current trade payables is considered to approximate fair value.

Carlton Programmes Development Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. For the current year, there were no significant judgements that require disclosure.

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which estimates are revised and in any future periods affected.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2019	2018
	£ 000	£ 000
Programme distribution rights - transferred at a point in time	<u>607</u>	<u>501</u>

4 Operating profit

Arrived at after charging / (crediting)

	2019	2018
	£ 000	£ 000
Foreign exchange gains	<u>2</u>	<u>1</u>

5 Finance income

	2019	2018
	£ 000	£ 000
Interest receivable from group undertakings	<u>126</u>	<u>95</u>

6 Staff costs

There were no employees and hence no staff costs during the year (2018: £Nil).

7 Directors' remuneration

In the year to 31 December 2019, 2 Directors (2018: 2) were remunerated by other ITV plc Group companies. The Directors received no remuneration in respect of their qualifying services to the Company (2018: £Nil).

Carlton Programmes Development Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

8 Taxation

Tax charged/(credited) in the income statement

	2019 £ 000	2018 £ 000
Current taxation		
UK corporation tax	-	-
Total current income tax	-	-
Deferred taxation		
Total deferred taxation	-	-
Tax (credit) /expense in the income statement	-	-

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018: lower than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Profit before tax	461	374
Corporation tax at standard rate of 19% (2018: 19%)	88	71
Revenues exempt from taxation	(12)	(24)
Group relief claimed	(76)	(47)
Total tax charge/(credit)	-	-

Post balance sheet event

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016 and the deferred tax asset has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020 and this change was substantively enacted on 17 March 2020. This will increase any future tax charge accordingly.

Deferred tax

There are £730,000 of unused tax losses (2018: £741,000) for which no deferred tax asset is recognised in the statement of financial position.

Carlton Programmes Development Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

9 Trade and other receivables

	2019	2018
	£ 000	£ 000
Amounts due from group undertakings	<u>10,665</u>	<u>10,108</u>

Included in amounts due from group undertakings are amounts of £10,368,000 (2018: £9,812,000) which relate to balances associated with the ITV plc group treasury pooling arrangements. This balance is repayable on demand and attracts interest of 0.5% (2018: 0.5%) above base rate per annum.

The remaining balance of £295,000 (2018: £296,000) represents intercompany trading, has no associated interest and is repayable on demand.

We have applied the expected loss model and the impact was not material.

The carrying value of trade receivables is considered to approximate fair value.

10 Trade and other payables

	2019	2018
	£ 000	£ 000
Trade payables	227	177
Accrued expenses	9	8
Amounts due to group undertakings	3	4
Other payables	<u>329</u>	<u>283</u>
	<u>568</u>	<u>472</u>

Included in amounts due to group undertakings is an amount of £3,000 (2018: £4,000) which represents intercompany trading, has no associated interest and is repayable on demand.

Included within other payables are £227,000 (2018: £177,000) payable in more than one year.

The carrying value of trade payables is considered to be approximate to fair value.

Carlton Programmes Development Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

11 Share capital

Allotted, called up and fully paid shares

	31 December 2019		31 December 2018	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>5,300</u>	<u>5,300</u>	<u>5,300</u>	<u>5,300</u>

12 Contingent liabilities

Under a Group registration the Company is jointly and severally liable for VAT at 31 December 2019 of £40 million (2018: £39 million).

13 Parent of group in whose consolidated financial statements the Company is consolidated

The name of the parent of the group in whose consolidated financial statements the Company's financial statements are consolidated is ITV plc.

These financial statements are available upon request from 2 Waterhouse Square, 140 Holborn, London, EC1N 2AE

14 Parent and ultimate parent undertaking

The Company's immediate parent is ITV Studios Global Distribution Limited.

The ultimate parent is ITV plc. ITV plc is incorporated in the UK.

The most senior parent entity producing publicly available financial statements is ITV plc. These financial statements are available upon request from 2 Waterhouse Square, 140 Holborn, London, EC1N 2AE.

The ultimate controlling party is ITV plc.

15 Subsequent Events

The uncertainty as to the future impact on the financial performance as a result of the COVID-19 pandemic has been considered as part of the Company's adoption of the going concern basis which is detailed in note 1. There has been no material impact on the recoverability of assets held at the balance sheet date.